For instance, the Government is printing and selling post cards at 15 paise per card and also inland covers at a lesser price. In the same spirit, may I know from the hon. Minister as to whether the Government will start printing notes of small denomination like one rupee, two rupee and five rupee notes?...*(Interruptions)*

SHRI M.P. VEERENDRA KUMAR : Formerly, we were printing one, two and five rupee notes. Now, what has happened is that we cannot do that. We have stopped printing one, two and five rupee notes and made them coins. So, we are printing coins and not one, two and five rupee notes.

SHRI N.S.V. CHITTHAN : Sir, that is not sufficient.

MR. SPEAKER : It is enough. Now, listen to the next question.

[Translation]

SHRI MAHENDRA KARMA : Mr. Speaker, Sir, through you, I would like to draw the attention of the hon. Minister towards the shortage of one and two rupee currency notes in market. The notes available in market are generally mutilated and in very shabby condition. New notes one and two rupee denomination or being sold in black market at higher say double or four times of their worth. In view of these conditions whether the hon. Minister would like to tell as to what steps would be taken by the Government for printing of one and two rupee notes and by when these steps will be taken?

[English]

SHRI M.P. VEERENDRA KUMAR : The hon. Member has said that there is shortage of one, two and five rupee currency notes. We do not produce one, two and five rupee currency notes. Only coins are being printed and we know that there is shortage. We produce only one-fourth of what we need. There are four printing mints in India for producing currency notes and coins with the centre at Hyderabad. The whole operation is in Hyderabad. Now, if you want to know what the Government proposes to do, I may tell you that we have some old machines and we are bringing some new machines. We are going to overhaul the whole thing. We are going to look into the matter very seriously because this thing cannot continue. So, regarding minting of coins and printing of notes, I think we are going to look into what is happening in our minting press including machinery, structure and everything and we will come with a solution...*(Interruptions)*

Maruti Udyog

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*103. SHRI CHITTA BASU :
SHRIMATI GEETA MUKHERJEE :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Suzuki Motors has requested the Government to sell the Maruti Udyog to it; and

(b) if so, the decision taken by the Government thereon?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) President and CEO of Suzuki Motor Corporation (SMC) has in his letter proposed, inter-alia, that "management of Maruti be straightened by listing its shares or by selling the Government's shares to Suzuki, or vice-versa".

(b) Government is not considering any change now in the existing equity structure of MUL or disinvestment of its shares in favour of SMC.

SHRI CHITTA BASU : Sir, as you know, Maruti Udyog is a highly profit-earning institution in our country.

It is expected that it will make a net profit of Rs. 500 crore this year.

It is now estimated that the market value of the company is about Rs. 10,000 crore. The contribution of the Suzuki Motor Corporation in this respect does not exceed more than Rs. 100 crore. Having regard to these facts, it is apprehended that the SMC wants to take over the Maruti Udyog Limited and exploit the Indian market and also earn fabulous profit.

In view of that apprehension, may I know from the hon. Minister whether he could assure this House that the Government would not allow disinvestment of the Maruti Udyog in future which is a profit earning company?

Would he also take certain measures to prevent the dilution of equity of the Government in the company?

SHRI MURASOLI MARAN : Sir, the hon. Member need not have any apprehensions. I have made it very clear in my statement. The Government is not considering any change now in the existing equity.

SHRI CHITTA BASU : Not now.

SHRI MURASOLI MARAN : How can I answer for eternity? There is not such decision now.

SHRI CHITTA BASU : Therefore, I put a question. I think, the hon. Minister is an experienced one and he might have taken note of it. Does he also propose to take some preventive measures for further dilution? Anyway, he chose not to reply about it. It is for him.

SHRI MURASOLI MARAN : Sir, as I have said, we have no proposal to dilute the equity structure of the Government. We would not dilute it.

SHRI CHITTA BASU : Thank you.

Is it a fact that the Maruti Udyog Limited was, at first, conceived as a hundred per cent public sector undertaking? Suzuki Motor Corporation was allowed to

have some equity participation in 1992. May I know from the hon. Minister what were the compelling grounds for allowing the SMC to have the equity participation in this profit earning company in our country which was a hundred per cent public sector undertaking?

SHRI MURASOLI MARAN : It all started with 26 per cent shares for Suzuki. Later on, it was enhanced to 40 per cent. Then, it became 50 per cent. So, it was a decision of the then Government.

SHRI CHITTA BASU : What were the compelling reasons for that?

SHRI MURASOLI MARAN : I have no answer. It was a decision taken by the previous Government.

SHRI CHITTA BASU : So what? Sir, the Government succeeds.

MR. SPEAKER : No question on Maruti from the other side?

AN HON. MEMBER : No.

SHRIMATI GEETA MUKHERJEE : Sir, the hon. Minister in his reply to Comrade Chitta Basu said that he could not give any promise for eternity. Now, the question of eternity does not arise.

I would like to know whether it is a fact that the Suzuki Motor Corporation are dangling in a terror of Rs. 5,000 crore in India.

If so, are the Government aware of the fact that Suzuki's financial condition in its home country is not at all comfortable and its efforts to set up car manufacturing facilities in Pakistan and Spain have flopped? Therefore, if not for eternity, at least, it should be remembered for the near future when deciding about this question.

SHRI MURASOLI MARAN : We will remember that. The hon. Member's party is a partner in the Government. Their own representative is in the Government. I think, they will take care of their interests.

DR. T. SUBBARAMI REDDY : May I know from the hon. Minister whether there is a proposal to set up a Maruti factory in Andhra Pradesh? If so, for what value? I would like to bring to the notice of the hon. Minister that Visakhapatnam is the best place for setting up such a factory.

SHRI MURASOLI MARAN : There is no question of setting up a factory in Andhra Pradesh at all. Of course, there is an expansion plan. A Committee has been set up and they are going into it.

Full Convertibility of Indian Rupee

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*104. SHRI MADHAVRAO SCINDIA :
SHRI K. PARASURAMAN :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are considering a proposal for full convertibility of the rupee on capital account;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the time by which a decision is likely to be taken on this account?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) A statement is laid on the Table of the House.

Statement

(a) to (c) The Indian rupee is convertible in respect of certain constituent elements of the capital account. Full convertibility of the rupee on capital account requires fulfilment of some basic pre-conditions, which will ensure containment of the risks of capital flight and possible macro-economic instability. These pre-conditions include a sound and flexible domestic financial system able to adapt rapidly to changing situations, reduction in fiscal deficit, moderation in inflation, a sustained export performance and a further build-up of foreign exchange reserves. The on-going economic reforms, which aim at achieving these pre-conditions, will guide the timing and the sequencing of further capital liberalisation and facilitate a move towards full convertibility of the rupee.

SHRI MADHAVRAO SCINDIA : Sir, it is obvious from the statement made by the hon. Minister that capital account convertibility is still the ultimate objective. But certain preconditions have been indicated from the Statement like the reduction in fiscal deficit, moderation in inflation, sustained export performance and further build up of foreign exchange reserves. Unfortunately, in most of the parameters enunciated by the Finance Minister, there has been a negative performance. Fiscal deficit may be probably achievable at five per cent but only because the full impact of the Fifth Pay Commission will be felt next year, whereas a provision for Rs. 5,000 crore has been made this year, there would be a saving of Rs. 5,000 crore in that. Again, Rs. 3,000 crore is unutilised and would remain unutilised in the Plan Fund and also the impact of additional food and fertilizer subsidy would felt in the next year.

SHRI NIRMAL KANTI CHATTERJEE : Is he making a Budget speech?

SHRI MADHAVRAO SCINDIA : Inflation has almost touched double figures; export performance is down at four per cent from 25 per cent, when Shri Chidambaram was himself the Commerce Minister, and the foreign exchange reserves have only shown a meagre addition, that also because of the slow growth the imports.

Sir, it appears, therefore, from these parameters that we are drifting away from this ultimate objective. I would like to know from the Finance Minister whether or not, in his view, we are further away from achieving